

## Message Text

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PAGE 01 SANTIA 02053 050506Z

40

ACTION ARA-10

INFO OCT-01 ISO-00 AID-05 SP-02 L-02 NSC-05 PRS-01 CIAE-00

INR-07 NSAE-00 EB-07 AGR-05 TRSE-00 /045 W

----- 001218

R 042200Z APR 75

FM AMEMBASSY SANTIAGO  
TO SECSTATE WASHDC 2762

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EO 11652: NA

TAGS: EFIN, IBRD, CI

SUBJ: IBRD LOAN FOR CHILEAN AGRICULTURE

REF: SANTIAGO 1954

1. RAUL SAEZ TOLD US ON APRIL 3 THAT HE AS IBRD GOVERNOR AND JORGE CAUAS AS ALTERNATE GOVERNOR HAD SENT MESSAGE THAT DAY TO ROBERT McNAMARA CONTAINING FOLLOWING POINTS:

2. GOC IS GREATLY CONCERNED AT REMOVAL OF \$20 MILLION AGRICULTURAL LOAN FROM APRIL 1 AGENDA OF IBRD BOARD. ACTION IS ESPECIALLY SERIOUS CONSIDERING THAT ALL NECESSARY TECHNICAL ACTION FOR ITS APPROVAL HAD BEEN COMPLETED. SERIOUSNESS OF SITUATION IS FURTHER HEIGHTENED CONSIDERING THAT: (1) McNAMARA HAD MADE PERSONAL COMMITMENT TO SUBMIT CREDIT TO BOARD ONCE TECHNICAL REQUIREMENTS HAD BEEN MET; (2) CHILE WAS NOT ADVISED OF McNAMARA'S DECISION TO WITHDRAW

PROJECT ALTHOUGH REASON FOR DOING SO WAS KNOWN TO McNAMARA AT LEAST TEN DAYS BEFORE: (3) WITHDRAWAL GRAVELY AFFECTS CHILE'S INTERNATIONAL FINANCIAL IMAGE WITH COMMERCIAL BANKS AND OTHER CREDITORS WHILE GIVING SUPPORT TO THOSE TRYING TO DELAY PARIS CLUB NEGOTIATION FOR POLITICAL REASONS; (4) IN ABSENCE OF PROMPT ADDITIONAL IBRD LENDING, CHILE BY ITS REPAYMENTS WILL BE TRANSFERRING NET RESOURCES TO BANK IN MIDST OF ECONOMIC CRISIS CAUSED BY CHILE'S HIGH IMPORT COSTS AND

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PAGE 02 SANTIA 02053 050506Z

LOW EXPORT EARNINGS.

3. SAEZ TOLD US THAT HE HAD REFRAINED ON LAST POINT FROM SAYING EXPLICITLY THAT CONTINUATION OF IBRD DELAYING TACTICS WOULD RESULT IN GOC REQUEST TO RENEgotiate ITS DEBTS WITH BANK. HE ADDED THAT HE HAD TRIED TO KEEP PERSONAL CRITICISM OF McNAMARA IN THIS MESSAGE TO A MINIMUM.

4. USG SHOULD BE CAREFUL IN ITS USE OF ABOVE INFORMATION SINCE SAEZ TOLD US NO OTHER GOVERNMENT HAD BEEN INFORMED.

5. TEXT OF SAEZ MESSAGE IS BEING POUCED TO ARA/BC.  
POPPER

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NNN

## Message Attributes

**Automatic Decaptoning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** AGRICULTURE, BANK LOANS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 04 APR 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** MorefiRH  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975SANTIA02053  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D750118-1059  
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**Office:** ACTION ARA  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
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**Previous Classification:** LIMITED OFFICIAL USE  
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**Reference:** 75 SANTIAGO 1954  
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**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** IBRD LOAN FOR CHILEAN AGRICULTURE  
**TAGS:** EFIN, CI, IBRD  
**To:** STATE  
**Type:** TE  
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